

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****Veterans' Affairs****Construct State Veterans Cemetery-Northeast KY****8,500,000**

The Northeastern Kentucky State Veterans Cemetery project will procure approximately 60 acres of land in Northeastern Kentucky, which will provide 25,000 gravesites to serve Kentucky's veterans. The project will also include a 3,600 square foot administration building and a 4,400 square foot equipment storage and maintenance building. This will be the fourth Veteran's cemetery authorized by the General Assembly to serve Kentucky's approximately 370,000 veterans in all regions of the Commonwealth.

General Fund

200,000

Federal Funds

8,300,000

**Maintenance Pool****100,000****100,000**

The Kentucky Department of Veterans Affairs (KDVA) maintains and operates three nursing homes and a State Veterans Cemetery and has another two cemeteries scheduled to open in the upcoming biennium. The KDVA's recurring maintenance pool preserves and protects the Commonwealth's investment in its facilities. These funds are expended for various maintenance and renovation projects under \$400,000.

Investment Income

100,000

100,000

**Veterans' Affairs Summary****100,000****8,600,000****General Fund****200,000****Federal Funds****8,300,000****Investment Income****100,000****100,000**

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****Kentucky Infrastructure Authority****KIA Fund F-Drinking Water Revolving Loan Program****24,000,000**

The Fund F (Federally Assisted Drinking Water Revolving Loan Fund Program) finances local drinking water facilities that qualify under U.S. Environmental Protection Agency requirements. Funds are provided by the United States Environmental Protection Agency through capitalization grants of 83.33 percent of the total project. The state matches these funds with 16.67 percent of the total project through issuance of General Fund-supported debt. Four percent of the capitalization grants are reserved for the program's administrative costs. The federal funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act.

Federal Funds

20,000,000

Bond Funds

4,000,000

**KIA Fund A-Federally Assisted Wastewater Program****24,000,000**

The Fund A (Federally Assisted Wastewater Revolving Fund Program) finances local wastewater treatment and collection facilities that qualify under U.S. Environmental Protection Agency requirements. Funds are provided by the United States Environmental Protection Agency through capitalization grants of 83.33 percent of the total project. The state matches these funds with 16.67 percent of the total project through issuance of General Fund-supported debt. Four percent of the capitalization grants are reserved for the program's administrative costs. The federal funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act.

Federal Funds

20,000,000

Bond Funds

4,000,000

**Kentucky Infrastructure Authority Summary****48,000,000****Federal Funds****40,000,000****Bond Funds****8,000,000**

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****Military Affairs****Construct Joint Use Readiness Center Paducah****11,400,000**

This project will construct a new armory and field maintenance shop located in Paducah. The present facility and location do not meet the current needs of the units assigned to the armory and there is not adequate land at the current site for expansion of the facility. The new facility will be approximately 41,843 square feet and will be located on approximately 10 acres. This project will replace the current armory and field maintenance shop currently located in downtown Paducah.

Federal Funds

11,400,000

**Bluegrass Station Facility Maintenance Pool****2,500,000****2,500,000**

This maintenance pool funds projects under \$400,000 for the repair and/or improvement of World War II-era buildings and infrastructure at Bluegrass Station. Bluegrass Station is a self-sustaining, semi-commercial economic development operation located at the old Avon Army Depot in Fayette County. Projects to be funded by the pool are necessary because of safety, code enforcement, and/or tenant concerns. Classifications of projects will include, but not be limited to, emergency roof or other structural repairs, repair of water lines, upgrade of electrical wiring, upgrade of sprinkler or heating systems, and maintenance and repair of roadways. Bluegrass Station currently leases 2,123,929 square feet of space.

Restricted Funds

2,500,000

2,500,000

**Acquire Land for WHFord Regional Training Center****4,500,000**

This project will procure approximately 4,291 acres of land currently leased by Military Affairs from Peabody Coal Company for military live-fire range safety areas at the Wendell H. Ford Regional Training Center (WHFRTC). Acquisition of this property is essential to the continued growth and the training conducted at WHFRTC, which is itself essential to preparing troops for active combat. The source of Restricted Funds for this project are proceeds from the sale of natural resources, primarily timber and coal slurry, from state owned land at WHFRTC.

Restricted Funds

4,500,000

**Upgrade DMA Statewide Radio System****3,000,000**

This project continues the development of a digital two-way radio system capable of future technological upgrades and expansion. It will also meet the federal mandate contained in the re-channeling plan of the National Telecommunications and Information Administration. This mandate is that by January 2008 radio systems must convert to narrow band digital or lose the ability to communicate. The source of the Federal Funds for this project is expected to be grants from the Department of Homeland Security.

Federal Funds

3,000,000

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****Military Affairs****Maintenance Pool****860,000****860,000**

This maintenance pool funds maintenance and renovation projects under \$400,000 to protect and lengthen facility life spans. The Department of Military Affairs has 1,822,000 square feet of facility space located statewide. Classifications of projects include, but are not limited to, emergency roof repairs or replacements, HVAC and electrical upgrades, code compliance, and maintenance and repair of roadways.

Investment Income

860,000

860,000

**Construct Warehouse - Bluegrass Station****1,500,000**

This project will build a 20,000 square foot warehouse to store aircraft parts removed from helicopters during the repair process. This warehouse will support the helicopter modification hangar currently under construction at Bluegrass Station and the aircraft modification building soon to be under construction. Both of these projects were authorized by the 2005 session of the General Assembly. The aircraft repaired at this facility have seen use in the war on terrorism and are being repaired for return to service. The federal funding for this project will be received from the Special Operations Forces Support Activity Division of the Army.

Restricted Funds

375,000

Federal Funds

1,125,000

**Aircraft Maintenance Pool****500,000****500,000**

The Division of Air Transport in the Department of Military Affairs currently operates five fixed-wing aircraft and five helicopters which are used for state agency transportation support and counter-drug operations. This Maintenance Pool performs all maintenance of agency-owned aircraft according to Federal Aviation Regulations. Maintenance items include, but are not limited to, engine overhauls and replacement of components such as transmissions, tail rotors, avionics, and gearboxes.

Investment Income

500,000

500,000

**Military Affairs Summary****24,260,000****3,860,000****Restricted Funds****7,375,000****2,500,000****Federal Funds****15,525,000****Investment Income****1,360,000****1,360,000**

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008**

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**Governor's Office for Local Development****Community Economic Growth Grant Program****5,000,000**

This grant program was created to assist counties, cities, special districts, public health departments, or local school districts with funding for projects that will enhance the economic development of their community. This money shall be used for capital projects that contribute to community or industrial development in the Commonwealth. Capital projects eligible for financing out of the fund may include but not be limited to: the construction, reconstruction, renovation, and maintenance of buildings and other improvements to real estate and the architectural, engineering, legal, and other expenses required; the acquisition of real property and interests in real property; the purchase of major equipment; industrial site development projects, including land reclamation, clearing, grading, draining, landscaping, and construction of walkways and fences; the extension, installation, and upgrading of water, gas, sewer, and electrical utilities to public facilities and industrial sites; to match or use in combination with funds obtained from other sources for an eligible capital improvement project.

Bond Funds

5,000,000

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**Flood Control Matching Fund****2,000,000****2,000,000**

This program is authorized by KRS 151.560 which established the Flood Control Advisory Board. The need to continue to assist local governments with the match requirements of the federal agencies is paramount to flood prevention in many communities. Without the assistance from this fund, most local governments cannot afford the matching requirements. The customary federal participation in these projects is 95 percent inasmuch as most of the Commonwealth's projects are in counties with high poverty rates. The state match is derived from a portion of the Local Government Economic Development Fund allocation of Coal Severance Tax revenues. The Governor's recommended budget moves the state owned dam repair money historically budgeted in the Department for Natural Resources to this account to provide a greater leveraging of the financial resources. Any state-owned dam repair project is eligible to participate in this pool of funds.

Restricted Funds

700,000

700,000

Investment Income

500,000

500,000

General Fund

800,000

800,000

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**Franklin Co - Lease**

This leased property is located at 1024 Capital Center Drive. The lease is necessary to provide office space for the Governor's Office for Local Development and the administratively attached Kentucky Infrastructure Authority.

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**Leslie Co - 6 Volunteer Fire Dept - Equip & Oper**

This authorization clarifies the intent of the original project approved by the 2005 Session of the General Assembly to enable the grant to these fire departments to be used on operational expenses as well as equipment.

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**General Government**

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Governor's Office for Local Development Summary		<u>7,000,000</u>	<u>2,000,000</u>
General Fund		800,000	800,000
Restricted Funds		700,000	700,000
Bond Funds		5,000,000	
Investment Income		500,000	500,000

Attorney General

Franklin Co - Lease

This lease is located at 1024 Capital Center Drive. The lease provides office space for approximately 200 employees of the Office of the Attorney General. The Office occupies 50,303 square feet in that facility.

Attorney General Summary

Commonwealth's Attorneys

Jefferson Co - Lease

This lease is with the Louisville Jefferson County Metro Government to provide office space for the Jefferson County Office of the Commonwealth's Attorney. The current lease rate is \$15.00 per square foot including utilities and janitorial services. The fund source for the lease is the General Fund. The current cost is \$284,445 per year.

Commonwealth's Attorneys Summary



General Government		Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Treasury				
Lease Purchase of Xerox Laser Printers			141,000	141,000
This five-year lease-purchase is needed for the replacement of check-writing equipment within the Department of Treasury. This equipment is essential to eliminate the risk of check duplication and the potential for associated losses to the Commonwealth.				
Capital Construction Surplus			141,000	141,000
Treasury Summary			141,000	141,000
Capital Construction Surplus			141,000	141,000

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****Agriculture****PACE - AGR ENHANCEMENT FUND****4,000,000****4,000,000**

The Purchase of Agriculture Conservation Easements (PACE) Program was originally authorized by the 1994 General Assembly and codified in KRS 262.900-262.920. The program provides for the acquisition of easements to ensure that lands currently in agricultural use will remain available for agriculture use in the future. The funding will allow the Department to maximize its use of matching the federal funds anticipated to be available for PACE purposes. The PACE Board is concerned that the United States Department of Agriculture may decrease the allocation to the Commonwealth if PACE, or another qualifying organization, is not able to match Kentucky's current allocation of approximately \$2.0 - \$2.5 million per year. These dollars could be permanently reallocated to states that are able to match the higher amount.

General Fund

400,000

400,000

Federal Funds

3,600,000

3,600,000

**LARGE SCALE TEST TRUCK****175,000**

This vehicle is used by the Department's Division of Regulation and Inspection for the enforcement of the provisions of KRS 363.520 to 363.850, which pertain to weights and measures. The vehicle is more specifically described as a 25,000 pound scale test truck, referring to the total amount of test weights it carries for the purpose of testing or calibrating large weigh scales. This unit will replace an existing vehicle that has excessive age and mileage.

Capital Construction Surplus

175,000

**FORAGE TESTING VAN****115,000**

This project will provide a new mobile hay testing vehicle capable of providing quality analysis of forage in a field setting. This vehicle will replace an existing unit that is currently in service but has more than 308,000 miles. Forage quality analysis is crucial to efficient livestock production, as forages are usually the most efficient source of nutrients for farm animals. Knowing the nutrient content of forages is an integral part of a farmer's production practices.

Capital Construction Surplus

115,000

**Franklin Co - Lease**

This lease is located at the Fair Oaks Complex in Frankfort. This lease provides office space for the Office of the State Veterinarian and the Office of Agriculture Marketing and Product Promotion.

**General Government**

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Agriculture Summary		4,290,000	4,000,000
General Fund		400,000	400,000
Federal Funds		3,600,000	3,600,000
Capital Construction Surplus		290,000	

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008**

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**Kentucky Retirement Systems****KRS Line of Business Project****19,300,000**

The project will allow KRS to manage all the data and processes required to establish, maintain and administer retirement benefits for participants in the Kentucky Employee, County Employee, and State Police Retirement Systems. The upgrade is needed to replace a COBOL based legacy system. The new system will streamline reporting requirements for complying with state and federal law and other reporting requirements as necessary. In addition, the new system will ensure prompt payment of benefits to all beneficiaries and allow employers and retirees secure access to their confidential data.

Restricted Funds

**19,300,000**

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**Franklin Co - Lease Perimeter Park West**

This lease is located at the Perimeter Park West office complex in Frankfort, Ky. The Kentucky Retirement Systems occupies 85,357 square feet of space at the complex. This lease provides office space for all administrative functions of the Kentucky Retirement Systems and its staff.

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**Kentucky Retirement Systems Summary****19,300,000****Restricted Funds****19,300,000**

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Nursing

Jefferson County - Lease

This lease is with Jefferson Development and is located at 312 Whittington Parkway.  
The lease provides 18,055 square feet of office space for the Board of Nursing. The  
annual amount of the lease is \$224,109.63.

Nursing Summary

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****Kentucky River Authority****KY RIVER WATER STORAGE DAMS 9 & 10****3,620,000**

This project will secure the dams against failure or major leakage losses that would endanger community and business water supplies. It will also add water storage capacity for drought management. Dam 9 impounds much of the water supply for Lexington. The modification of Dam 10 will supplement that water supply in the event of a drought. Dam 10 also provides water for Winchester and the East Kentucky Power Cooperative's generating plant that supplies much of the area's electricity. The Dam 10 project is eligible for \$19.2 million in federal funding through the Army Corps of Engineers.

Restricted Funds

3,620,000

**KY RIVER LOCK 3 RENOVATION****1,000,000**

The renovation of Lock 3 will restore access to the Ohio River from the Palisades area upstream from Frankfort, benefiting recreational boaters and tourism-related activity on the Kentucky River.

Restricted Funds

500,000

Emergency Repair, Maintenance and Replacement

500,000

**KY RIVER DAM MAINTENANCE POOL****500,000****500,000**

The 14 Locks and Dams on the Kentucky River were built more than 100 years ago. Due in large part to the decrease in commercial traffic on the Ky River over the last several decades, maintenance on them has been minimal. This pool provides funds for temporary stabilization repairs to the various components of the locks and dams until major renovations are started.

Restricted Funds

500,000

500,000

**Kentucky River Authority Summary****5,120,000****500,000****Restricted Funds****4,620,000****500,000****Emergency Repair, Maintenance and Replacement****500,000**

**General Government****Fiscal Year  
2005-2006****Fiscal Year  
2006-2007****Fiscal Year  
2007-2008****School Facilities Construction Commission****Offers of Assistance****100,000,000**

This project appropriates the funding for the authorization of the \$100 million in school construction offers of assistance included in House Bill 267 passed by the 2005 General Assembly. This authorization will allow the Commission to participate in debt service obligations with local school districts to provide major renovation for current school facilities, or to construct needed new facilities based on the priority ranking in the local school district facility plan. The portion of the total debt service allowed to each district is based upon the formula in the statutes (KRS 157.622).

Bond Funds

100,000,000

**Urgent Need School Trust Fund**

Urgent Need School Trust Fund projects authorized by the 2005 General Assembly will not all be completed by June 30, 2006. Unissued bonds in the amount of \$91,536,000 are reauthorized. Seven are projected to be bonded by that date with nine to be done in the next biennium. The projects under this authorization will replace or renovate some of the school facilities in the state that are in the worst condition.

**School Facilities Construction Commission**

At the present time Kentucky has approximately 1,218 school facilities. Of these, approximately 18.6 percent are in fair to poor condition. Therefore, a constant effort to upgrade the schools must be maintained. This authorization will allow the Commission to participate in debt service obligations with local school districts to provide major renovation for current school facilities, or to construct needed new facilities based on the priority ranking in the local school district facility plan. The portion of the total debt service allowed to each district is based upon the formula in the statutes (KRS 157.622). According to KRS 157.622 (4), construction offers of assistance made by the School Facilities Construction Commission and accepted by local public schools have a life of four years. From the amounts authorized by previous sessions of the General Assembly, as of November 15, 2005, \$84.4 million remains authorized but unissued, and requires reauthorization.

**School Facilities Construction Commission Summary****100,000,000**

Bond Funds

100,000,000

**General Government Summary****208,211,000****19,101,000**

General Fund

1,200,000

1,400,000

Restricted Funds

31,995,000

3,700,000

Federal Funds

59,125,000

11,900,000

Bond Funds

113,000,000

Capital Construction Surplus

431,000

141,000

Investment Income

1,960,000

1,960,000

Emergency Repair, Maintenance and Replacement

500,000